

**NEW Homes Scheme Proposal – S151 Approval Conditions**

	<b>Condition</b>
Breakeven Year	Schemes must pay back (in full) within 45 years
Cash Flow	Scheme proposals must demonstrate positive annual cash flows for NEW Homes
State Aid	<p>If NEW Homes require a subsidised interest rate as part of the loan arrangements, scheme costs must be below Welsh Government Affordable Cost Guidelines to demonstrate that build costs are 'reasonable' for that type of scheme.</p> <p>That any aid granted to NEW Homes via a lower than market rate loan will comply with all parameters set by the state aid scheme under which the loan is being provided.</p>
Loan Arrangements	The modelled loan rate to New Homes will be at a higher rate than the councils predicted borrowing rate from PWLB based on treasury forecasts. This is to ensure a return to the Council.
Security	If NEW Homes require a loan equating to more than 70% of the market value of the properties, a charge over the equivalent value of other properties in the company's portfolio will/may be held by the Council as security.
Financial	NEW Homes must submit a 30 year financial updated business plan which includes the impact of the proposed scheme on the finances of New Homes.